CC: Paul 1047/010



United States Department of the Interior



BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, UT 84145-0155 http://www.blm.gov

JUN 27 2006

IN REPLY REFER TO: 3590 UTU-060749 (UT-923)

CERTIFIED MAIL--Return Receipt Requested

American Gilsonite Company Jared Jackson HC 73 Box 28 Vernal, Utah 84078

Re:

Mining Plan Modification for Federal Gilsonite Lease UTU-060749

MINING PLAN MODIFICATION APPROVAL (WH #4)

Dear Mr. Jackson:

Background- The Bureau of Land Management (BLM) Utah State Office, received your mining plan modification dated Feb 28, 2006 and revised on March 10, 2006. The mining plan modification includes mining a portal area located above the current shaft location at the Wagon Hound #4 mine (enclosed). The portal area has been excavated and secured. This authorizes activities that were found to be in noncompliance in March 2006.

Approval— The mining plan modification is approved to drive a angled drift and then mine areas that are between workings as stated in the above plans.

Conditions of Approval-

- 1. Down hole drilling must be done ahead of any face advance in order to determine where the open stope below the drift is located.
- 2. The miners must be secured off while driving above the open stope.

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- 3. A floor secured to wooden stulls must be carried through the area where there is open stope below the drift. This shall be done until it has been determined that there is no open stope below the drift.
- 4. After the portal is sealed, the surface material will be stabilized between the walls of the vein as necessary to stop erosion.

Notices-

- 1. All stipulations and conditions of approval from the lease and the past mining plan approvals must be adhered to.
- 2. Any modifications to the plan must be approved by the Authorized Officer prior to implementation.

NEPA- The National Environmental Policy Act has been complied with by EA UT-080-06-338.

Bonding- American Gilsonite currently has a \$120,000 statewide bond on file with BLM. This bond is deemed to be sufficient. BLM has the right to adjust the bond at any time.

Other Approvals- This approval only constitutes approval under the Mineral Leasing Act of 1920 as amended and does not constitute any other approvals that are necessary from other agencies or offices.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely.

, ,

JAMES F K. LER

James F. Kohler Chief, Solids Minerals Branch

Enclosure:

bcc: Central Files

Vernal Field Office

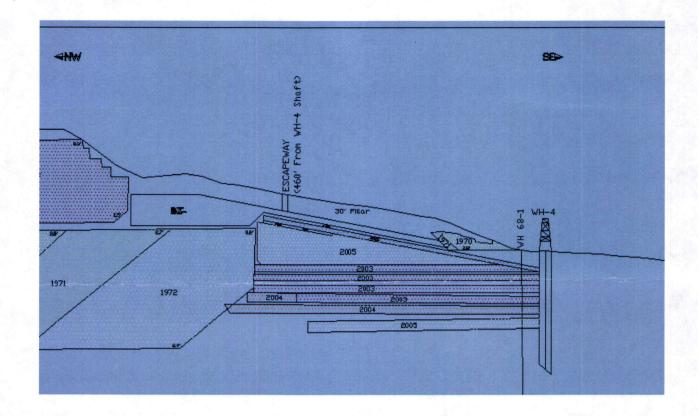
Utah Division of Oil, Gas, and Mining (Attn. Doug Jensen), P.O. Box 145801 SLC, UT 84114-

5801

Mine Files - UTU-060749

Chron File

SPerkes:sa:06/19/06: 060749 wh#4 portal approval







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American Gilsonite Company Jared Jackson HC 73 Box 28 Vernal, Utah 84078

Re:

Mining Plan Modification for Federal Gilsonite Lease UTU-060749

MINING PLAN MODIFICATION APPROVAL (WH #7)

Dear Mr. Jackson:

Background- The Bureau of Land Management (BLM) Utah State Office, received your mining plan modification dated June 8, 2006. The mining plan modification includes starting to mine the Wagon Hound #7 mine using the facilities at the Wagon Hound #4 mine. This would include running the air lines and the vacuum lines across the ground to the WH #7 site. Mining on the Wagon Hound #7 site was included in the mining plan approval dated June 27, 2000.

<u>Approval-</u> This mining plan modification is to start to conduct mining operations on the Wagon Hound #7 shaft site by running vacuum lines and air lines from the Wagon Hound #4 shaft site.

Conditions of Approval-

- 1. All Mine Plan Approval conditions of approval from the June 27, 2000 approval will apply.
- 2. Any modifications to the plan must be approved by the Authorized Officer prior to implementation.

NEPA- The National Environmental Policy Act has been complied with by EA UT-080-06-338.

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DIV. OF OIL, GAS & MINING

Bonding- American Gilsonite currently has a \$120,000 statewide bond on file with BLM. This bond is deemed to be sufficient. BLM has the right to adjust the bond at any time.

Other Approvals— This approval only constitutes approval under the Mineral Leasing Act of 1920 as amended and does not constitute any other approvals that are necessary from other agencies or offices.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

JAMES F KOHLER

James F. Kohler Chief, Solids Minerals Branch

Enclosure:

bcc: Central Files

Vernal Field Office

Utah Division of Oil, Gas, and Mining (Attn. Doug Jensen), P.O. Box 145801 SLC, UT

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Mine Files - UTU-060749

Chron File

060749 wh#7 pipe ground approval SPerkes:sa:06/19/06

